REPORT
TO

THE HOUSE OF REPRESENTATIVES APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES

SENATE APPROPRIATIONS COMMITTEE ON HEALTH AND HUMAN SERVICES

JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILTIES, AND SUBSTANCE ABUSE SERVICES

AND

FISCAL RESEARCH DIVISION

REPORT ON

THE COMPREHENSIVE TREATMENT SERVICES PROGRAM (CTSP)

Session Law 2007-323
Section 10.10(k)

April 2008

NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES

EXECUTIVE SUMMARY

The General Assembly of North Carolina, in its 2001 Session, passed legislation to establish the Comprehensive Treatment Services Program (CTSP) for children/youth at risk for institutionalization or other out-of-home placements. The Department of Health and Human Services (DHHS) was charged with the implementation of the Program in collaboration with the Division of Social Services (DSS), Department of Juvenile Justice and Delinquency Prevention (DJJDP), the Department of Public Instruction (DPI), the Administrative Office of the Courts (AOC) and other relevant State agencies to provide appropriate and medically necessary residential and non-residential treatment alternatives for the target population.

The infrastructure for the implementation of the CTSP as outlined in the legislation is in place and expansion and quality improvement continue.

The legislation of the Comprehensive Treatment Services Program (CTSP) marked the beginning of statewide implementation of System of Care (SOC) practices and principles. The legislation and policy related to the Comprehensive Treatment Services Program are major components in developing North Carolina's System of Care for children/youth in need of mental health and substance abuse services and their families. The program's emphasis on System of Care practices and principles, including interagency collaboration and family partnership, is a practice platform embraced by mental health reform and a catalyst for developing a family-driven approach to serving North Carolina's children throughout the system. Transformation of the mental health, developmental disabilities and substance abuse services (MH/DD/SAS) system embraces other essential components of a comprehensive SOC, including individualized strength-based care, which are also emphasized in this special provision. Other supporting components of statewide implementation of SOC include:

- The NC Collaborative for Children, Youth and Families (www.nccollaborative.org) was formed in 2001 to promote a coalition among agencies cited by the General Assembly in the legislation that established the Program.
- The Child Mental Health portion of the State MH/DD/SAS Plan is explicit in its support of SOC. The goal under the plan is to provide a "system of quality care, which includes accessible, culturally sensitive, individualized mental health treatment, intervention and prevention services delivered in the home and community in the least restrictive and most consistent manner possible."

This report summarizes the progress achieved in implementation of the CTSP pursuant to Section 10.10 of Session Law 2007-323.

PROGRESS IN MEETING PROGRAM INDICATORS

SECTION 10.10. (a)

The Department of Health and Human Services shall continue the Comprehensive Treatment Services Program for children at risk for institutionalization or other out-of-home placement. The Program shall be implemented by the Department in consultation with the Department of Juvenile Justice and Delinquency Prevention, the Department of Public Instruction, and other appropriate State agencies. The purpose of the Program is to provide appropriate and medically necessary residential and nonresidential treatment alternatives for children/youth at risk of institutionalization or other out-of-home placement. Program funds shall be targeted for non-Medicaid eligible children. Program funds may also be used to expand a SOC approach for services to children/youth and their families statewide. The Program shall include the following:

(1) *Behavioral Health Screenings for all children/youth at risk of institutionalization or other out-of-home placement.*

(2) *Appropriate and medically necessary residential and non-residential services for children within the child mental health deaf and, hard of hearing target population.*

(3) *Appropriate and medically necessary residential and non residential treatment services, including placements for sexually aggressive youth.*

(4) *Appropriate and medically necessary nonresidential and residential treatment services, including placements for youth needing substance abuse treatment services and children with serious emotional disturbances.*

(5) *Multidisciplinary case management services, as needed.*

(6) *A system of utilization review specific to the nature and design of the Program.*

(7) *Mechanisms to ensure that children are not placed in department of social services custody for the purpose of obtaining mental health residential treatment services.*

(8) *Mechanisms to maximize current State and local funds and to expand use of Medicaid funds to accomplish the intent of this Program.*

(9) *Other appropriate components to accomplish the Program's purpose.*

(10) *The Secretary of the Department of Health and Human Services may enter into contracts with residential service providers.*

(11) *A system of identifying and tracking children placed outside of the family unit in group homes, therapeutic foster care home settings, and other out-of-home placements.*

All of the requirements in Sections 10.10 (a), items 1-11, were achieved in previous years. The Division continues to operate in accordance with the activities and processes that were previously reported.

(12) *The development of a strong infrastructure of interagency collaboration.*

The Division mandates Local Community Collaboratives with the expressed purposes of carrying out the CTSP program. There are over 60 of these groups across the state. In 2006, the Division of MH/DD/SAS allocated funds for a System of Care Coordinator in each LME who staffs these collaboratives.

(13) *Individualized strengths-based care.*

Direct services funded by the CTSP program require a Child and Family Team (CFT) process as well as a family-driven plan such as a Person-Centered Plan. The CFT ensures that the services recommended are clinically indicated, build on the strengths of the youth and family, and are efficient and effective.

SECTION 10.10 (b)

In order to ensure that children at risk for institutionalization or other out-of-home placement are appropriately served by the mental health, developmental disabilities, and

substance abuse services system, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall do the following with respect to services provided to these children:

(1) *Provide only those treatment services that are medically necessary.*

(2) *Implement utilization review of services provided.*

(3) *Adopt the following guiding principles for provision of services:*

(a) *Service delivery system must be outcome-oriented and evaluation-based.*

(b) *Services should be delivered as close as possible to the child's home.*

(c) *Services selected should be those that are most efficient in terms of cost and effectiveness.*

(d) *Services should not be provided solely for the convenience of the provider or the client.*

(e) *Families and consumers* should be *involved in decision making throughout treatment planning and delivery.*

All of the requirements in Sections 10.10 (b), items 1-3(e), were met in previous years. The Division continues to operate in accordance with the activities and processes that were previously reported.

(f) *Services shall be specified, delivered, and monitored through a unified Child and Family Plan incorporating the principles of one-child-one-team-one-plan.*

Direct services funded by the CTSP program require a Child and Family Team (CFT) process as well as a family-driven plan such as a Person-Centered Plan. The CFT ensures that the services recommended are clinically indicated, build on the strengths of the youth and family, and are efficient and effective.

(g) *Out-of-home placements for children shall be a last resort and shall include concrete plans to bring the children back to a stable, permanent home, their schools, and their community.*

The Child and Family Team process ensures that services are individualized, community-based and least restrictive. Local Management Entities who authorize the use of CTSP funds for out-of-home placements ensure that it is a medically necessary placement. In addition, 17 of the 25 LMEs have instituted a Care Review process with the family and providers involved with the youth to review the request for out-of-home placement. Thirdly, all requests for placement at the Wright or Whitaker Schools and state operated Psychiatric Residential Treatment Facilities have to be reviewed by the Local Community Collaborative.

(4) *Implement all of the following cost reduction strategies:*

(a) *Preauthorization of all services except emergency services.*

(b) *Levels of care to assist in the development of treatment plans.*

(c) *Clinically appropriate services.*

All of the requirements in Sections 10.10 (b), item 4, were met in previous years. The Division continues to operate in accordance with the activities and processes that were previously reported.

SECTION 10.10 (c)

The Department shall collaborate with other affected State agencies such as the Department of Juvenile Justice and Delinquency Prevention, Department of Public Instruction, the Administrative Office of the Courts, and with local department of social services, area mental health programs, and local education agencies to eliminate cost shifting and facilitate cost-sharing among these governmental agencies with respect to the treatment and placement services.

All of the requirements in Sections 10.10 (c) were met in previous years. The Division continues to operate in accordance with the activities and processes that were previously reported.

SECTION 10.10. (d)

The Department shall not allocate funds appropriated for Program services until a Memorandum of Agreement has been executed between the Department of Health and Human Services, the Department of Public Instruction, and other affected State agencies. The Memorandum of Agreement shall address specifically the roles and responsibilities of the various departmental divisions and affected State agencies involved in the administration, financing, care, and placement of children at risk of institutionalization or other out-of-home placement. The Department shall not allocate funds appropriated in this act for the Program until the Memoranda of Agreement between local departments of social services, area mental health programs, local education agencies, the Administrative Office of the Courts, and the Department of Juvenile Justice and Delinquency Prevention, as appropriate, are executed to effectuate the purpose of the Program. The Memoranda of Agreement shall address issues pertinent to local implementation of the Program, including provision for the immediate availability of student records to a local school administrative unit receiving a child placed in a residential setting outside the child's home county.

The state-level Memoranda of Agreement (MOA) between DHHS, DPI, AOC and DSS was updated and signed in State Fiscal Year (SFY) 2006 and remains in effect. Prior to it being signed, a meeting of the relevant agencies included a review of commitments, mandates and functions among and within the individual agencies. The local-level MOA between Local Management Entities, Local Education Agencies, county Departments of Social Services, and local court districts was updated in SFY 2007. Signed copies were submitted to the Division of MH/DD/SAS by the end of SFY 2007.

SECTION 10.10 (e)

Notwithstanding any other provision of law to the contrary, services under the Comprehensive Treatment Services Program, are not an entitlement for non-Medicaid eligible children served by the Program.

All training and correspondence relevant to this topic emphasizes that services are not an entitlement.

SECTION 10.10. (f)

Of the funds appropriated in this act for the Comprehensive Treatment Services Program, the Department of Health and Human Services shall establish a reserve of three percent (3%) to ensure availability of these funds to address specialized needs for children with unique or highly complex problems.

All of the requirements in Sections 10.10 (f) were met in previous years. The Division continues to operate in accordance with the activities and processes that were previously reported.

SECTION 10.10 (g)

The Department of Health and Human Services, in conjunction with the Department of Juvenile Justice and Delinquency Prevention, Department of Public Instruction, and other relevant agencies, shall report on the following Program information:

(1) *The number and other demographic information of children served.*

The Program served 6,987 children/youth in the CMMED (Seriously Emotionally Disturbed) and CMSED (Severely Emotionally Disturbed with Out-of-Home Placement) target populations in SFY 2007. The CMMED and CMSED target populations are representative of the populations eligible for CTSP funds. Maximizing Medicaid funds for comprehensive services has resulted in a decline in number of children served with State CTSP funds. This trend is evident throughout the report.

Demographic Data by Race

Race	Number	Percentage
White	4,055	58.0%
Black	2,101	30.0%
Unknown	708	10.1%
Native American	83	2.0%
Asian	25	0.4%
Pacific Islander	12	0.2%
Blank	3	>0.1%
Total	6,987	

Demographic Data by Gender

Gender	Number	Percentage
Male	4,497	64.4%
Female	2,490	35.6%
Total	6,987	

Demographic Data by Age

Age	Number	Percentage
12-17 years	5,043	78.2%
3-11 years	1,944	27.8%
Total	6,987	

(2) The amount and source of funds expended to implement the Program.

In SYF 2007, a total of $14,316,636 was expended for this program. Of that number, $12,164,254 was used to provide direct services to youth and $2,152,382 was spent in a flexible manner (non-Unit Cost Reimbursement or non-UCR) to ensure family involvement and leadership, increase the capacity of community-based services, training on System of Care practices and principles, prevention initiatives and to provide medically necessary and least restrictive services that are not available as part of the larger service system.

(3) *Information regarding the number of children screened, specific placement of children, including the placement of children in programs or facilities outside the child's home county, and treatment needs of children served.*

All children/youth referred for enrollment into the program are screened to determine whether they meet eligibility criteria for CTSP funds and are eventually entered into the IPRS data base. In SFY 2007, 92,317 were entered in to the system and therefore eligible for CTSP funds.

The table below describes the type and number of children in placement in North Carolina in SFY 2007.

Type of Service	Number of children/ youth served
Level II	3,110
Level III	4,113
Level IV	206
Psych. Residential Treatment (PRTF)	484
Inpatient hospital	3,440

(4) *Average length of stay in residential treatment, transition and return to home.*

Average Length of Stay in Residential Treatment SFY 2006- 2007		
Type of Service	**Number of children/ youth served**	**Average days per person**
Level II	3,110	171.5
Level III	4,113	152.0
Level IV	206	107.0
Psych. Residential Treatment (PRTF)	484	146
Inpatient hospital	3,440	17.1

A utilization review process is in place to monitor progress toward goals and to determine whether the child/youth continues to be in need of such an intensive service. The Child and Family Team is responsible for planning a successful transition to home, school and community.

(5) *The number of children diverted from institutions or other out of home placements such as training schools and State psychiatric hospitals and a description of the services provided.*

Initiatives like the MAJORS program provide services to youth involved in the juvenile justice system due to a substance related issue. This program is specifically designed to divert youth from institutional-based care. Additionally, non-UCR CTSP funds are utilized to increase community capacity so that youth are able to remain in their homes and receive the services they need in their community. For example, in SFY 07 non-UCR CTSP funds provided LMEs with the necessary funds to contract for such services as Intensive In-Home and Multisystemic therapy in their communities.

(6) *Recommendation on other areas of the Program that need to be improved.*

Continued progress on the implementation of System of Care practices and principles includes increasing the quality of the Child and Family Team process. This family-driven vehicle for Person-Centered planning provides a framework for individualized strength-based care. The Division of MH/DD/SAS will continue to advise LMEs to utilize non-UCR CTSP funds to support Child and Family Team training.

(7) Other information relevant to successful implementation of the Program.

In SFY 2007, every Local Management Entity had a System of Care Coordinator in place who is responsible for increasing the quality of Child and Family Teams that occur in their area, staffing the Local Community Collaborative and consequently upholding the LME's commitment to the CTSP Memorandum of Agreement.

SECTION 10.10.(h) *The Department shall report on the following Program funding information:*

(1) The amount of Program funding allocated and expended by each LME.

The table below reflects program allocations and expenditures for SFY 2007.

LME Name	CTSP UCR Expenditures	CTSP Non-UCR Expenditures	Total Expenditures
A-C-R	860,966	98,119	959,085
Albemarle	317,288	0	317,288
Catawba	307,186	75,406	382,592
Centerpoint	884,455	178,000	1,062,455
Crossroads	469,985	619,872	1,089,857
Cumberland	278,118	42,295	320,413
Durham	838,876	0	838,876
Eastpointe	614,960	0	614,960
Edgecombe-Nash	27,529	0	27,529
Five County	335,013	193,348	528,361
Foothills	901,164	38,886	940,050
Guilford	475,075	1,128	476,203
Johnston	312,322	35,648	347,970
Mecklenburg	280,087	0	280,087
Neuse	78,836	38,000	116,836
New River	163,700	24,000	187,700
Onslow-Carteret	304,691	89,653	394,344
OPC	258,974	76,000	334,974
Pathways	47,801	135,000	182,801
Piedmont	0	0	0
Pitt	324,666	7,560	332,226
Roanoke-Chowan	123,501	7,198	130,699
Sandhills	1,024,998	196,697	1,221,695
Smoky	0	0	0
Southeastern Area	166,110	123,073	289,183
Southeastern Reg.	499,271	47,956	547,227
Tideland	7,102	0	7,102
Wake	644,264	99,544	743,808
Western Highlands	1,596,166	0	1,596,166
Wilson-Greene	21,151	25,000	46,151
Totals	**$12,164,254**	**$2,152,383**	**$14,316,637**

(2) The amount of Program funds each LME transferred out of the Program to serve purposes other than those outlined by this Program and an explanation of why LMEs transferred the funding.

The table below describes all transfers of program funds that occurred in SFY 2007.

LME	Amount	To what programs
Alamance-Caswell-Rockingham	32,000	Adult MH
Catawba	185,000	DD-MR/MI
Catawba	(60,000)	*From* DD-MR/MI to CTSP
Centerpoint	150,000	Adult DD
Durham	170,200	$150,000 to Adult MH; $20,200 to Child MH
Five County	94,709	Adult MH
Foothills	200,000	Adult MH
OPC	72,000	$7,000 to Adult MH; $50,000 to Child MH; $15,000 to Child SA
Western Highlands	394,841	$332,763 to Adult MH; $62,078 to Adult DD
Wilson-Greene	150,000	Adult DD
Total	$ 1,388,750	

LMEs utilize funds to meet the service needs in their communities. The use of CTSP funds has declined due to maximizing the use of Medicaid and Health Choice dollars for the CTSP-eligible population and the implementation of new community-based services in March of 2006.

(3) Recommendations to improve the penetration rate of Program funds to serve the intended populations across the State.

There remains an increased emphasis on the use of CTSP non-UCR funds to increase the community's capacity to provide medically necessary services to youth at risk of out-of-home placement. Increased use of these funds to expand the System of Care approach including the support and implementation of innovative evidenced-based programs that are community-based, family-driven and least restrictive will improve the penetration rate of these funds.